



Public School Employees' Retirement Board

Audit, Compliance & Risk Committee (ACR) Meeting Minutes

Tuesday, October 11, 2022

Call to Order: Chair Rep. Frank Ryan called the meeting to order at 4:01 P.M. via MS Teams and from the PSERS Board Room.

Committee Members Present:

| | | |
|----------------------------------|--------------------|-----------------------|
| Rep. Frank Ryan, Chair | Jason Davis | Absent – Nathan Mains |
| Treas. Stacy Garrity, Vice-Chair | Sec. Richard Vague | |

Other Board Members Present:

| | | |
|---------------|----------------|---------------------|
| James Bloom | Alan Flannigan | Sen. Katie Muth |
| Susan Boyle | Patrick Lord | Patrick Shaughnessy |
| Lloyd Ebright | Ann Monaghan | Jill Vecchio |

Others Present:

| | | |
|--------------|----------------|-------------------|
| Brian Carl | Bev Hudson | Terri Sanchez |
| Tivia Danner | Joe Indelicato | Letitia Schubauer |

1.0 Roll Call

Terri Sanchez took roll and confirmed ACR Committee member quorum.

2.0 Acceptance of Published Agenda or Amendments

Rep. Frank Ryan moved to amend the agenda to include a discussion and update on the appraisal of the Harrisburg properties. Jason Davis moved to accept the amended agenda. Sec. Richard Vague seconded the motion, which passed unanimously.

3.0 Public Comment

Terri Sanchez confirmed her physical presence in the PSERS Board Room, and further confirmed no public attendees, nor any requests for Public Comment.

4.0 Cheiron Report on Actuarial Audit

Mei Gentry introduced Janet Cranna, Michael Moehle, and Jonathan Chipko from Cheiron to present results on the PSERS June 30, 2020 Actuarial Valuation Audit and Review of the June 30, 2020 Experience Review.

Regarding the valuation report and projects, Cheiron found:

- Based on the adopted assumptions and methods, Buck’s 2020 actuarial valuation results are reasonable and accurate;
- the actuarial valuation was performed in accordance with principles and practices prescribed by the Actuarial Standards Board and Actuarial Standards of Practice (ASOPs);
- the actuarial valuation report and GASB reports prepared by Buck met the professional standards set by the ASOPs; and
- discussed opportunities to improve the clarity of the reports and disclosures.

Regarding the experience review, Cheiron found:

- Buck’s recommended economic assumptions were reasonable and in compliance with ASOP 27;
- the interest rate (discount rate) and inflation assumptions were reasonable, but Buck did not indicate whether the recommended 7% interest rate assumption was net of administrative expenses;
- the demographic assumptions, funding, amortization, and asset valuation methods are all reasonable; and
- discussed recommendations on payroll growth and demographic assumption.

A discussion followed.

4.1 Motion Regarding the Actuarial

The Audit, Compliance & Risk Committee of the Public School Employees’ Retirement Board hereby acknowledges receipt of the Actuarial Audit of June 30, 2020 Actuarial Valuation and 2016-2020 Experience Review prepared for the Public School Employees’ Retirement System by Cheiron.

Sec. Richard Vague moved, with Rep. Frank Ryan seconding. The motion passed with one absent being Nathan Mains.

5.0 Discussion and Update on the Appraisal of the Harrisburg Properties

Joe Indelicato updated the Committee that Sarah Motley Stone, Womble Bond Dickinson, is targeting October 15, 2022 to produce the appraisals on the Harrisburg properties and will be following up with Rittenhouse Appraisers.

A discussion followed.

Rep. Ryan requested a follow up call with Terri Sanchez and Mei Gentry to discuss status of the appraisal. If an appraisal is not received by October 15, the Audit, Compliance & Risk Committee will schedule a meeting for the week of October 17, 2022.

Adjournment

Without objection, the ACR Committee Meeting adjourned at 5:14 P.M.

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